

Before the Federal Communications Commission
Washington, D.C. 20554

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DEC 16 1999

In the Matter of)

Request for Review
of the Decision of the)Universal Service Administrator by
MasterMind Internet Services, Inc.)CC Docket No. 96-45 FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket No. 97-21

REQUEST FOR REVIEW

ORIGINAL

MasterMind Internet Services, Inc. ("MasterMind") submits its Request for Review of the Decision of the Universal Service Administrator ("Request for Review"), seeking review of the decisions of the School and Libraries Division ("SLD") of the Universal Service Administrative Company ("Administrator") to deny the applications of 81 school districts in the State of Oklahoma for discounts for eligible telecommunications services under the schools and libraries universal service support mechanism. MasterMind was the contracted service provider with the school districts to provide eligible distance learning telecommunications services.

A. Statement of Interest

1. MasterMind provides internet and telecommunication services over the internet both to the general public, and to various school districts in the State of Oklahoma. For the past three years, MasterMind has provided internet services to school districts participating in the Schools and Libraries Universal Service Program established as part of the Federal Telecommunications Act of 1996 to provide affordable access to telecommunications services for eligible schools and libraries. For the current fiscal funding year, MasterMind was the contracted service provider with 81 school districts who had filed applications with the SLD for

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supported rates for eligible telecommunication services. SLD denied the applications of those eligible school districts for the stated reason that MasterMind was an “Invalid telecom. Provider.” In support of this request for review, MasterMind submits the affidavit of Chris Webber, attached as Exhibit A (“Webber Affidavit”).¹ A list of impacted school districts (“School Districts”) is attached as Exhibit A-1 to the Webber Affidavit. MasterMind challenges the SLD’s denial of funding on the 81 applications pursuant to 47 C.F.R. §§ 54.719 and 54.722, and respectfully requests appropriate relief from the Federal Communications Commission (“FCC”) to overturn the decision of the SLD.

B. Statement of Material Facts

1. Chris Webber is the director of E-Rate Services for MasterMind Internet Services, Inc. (“MasterMind”). Webber Affidavit, para. 1.

2. MasterMind offers distance learning telecommunication services, over the internet, to the general public for a fee. Webber Affidavit, para. 2.

3. MasterMind offers and advertises its telecommunication services to the general public by general advertising in Oklahoma including but not limited to such medians as printed materials and brochures disseminated to the general public, newsletters mailed to all school districts which posted a Form 470 on the SLD web site in a six-state region, and postings on its web site. Webber Affidavit, para. 3.

¹Exhibit A-1 sets forth the school districts which were denied funding by the SLD on 81 contracts with MasterMind pursuant to notices issued by SLD on or about November 16, 1999. MasterMind has previously filed an appeal concerning school districts which were denied funding by the SLD on 40 contracts pursuant to notice issued on or about October 26, 1999.

4. Starting on December 1st, 1998 and ending on March 9th, 1999, MasterMind assisted the School Districts in their filing of FCC "Form 470" with the SLD. Webber Affidavit, para. 4.

5. After the Form 470s were filed by the School Districts, SLD sent to the School Districts a "Receipt Acknowledgement Letter" that stated among other things, that the SLD had received "your properly completed FCC Form 470." A sample letter received by all of the School Districts from the SLD is attached as Exhibit A-2 to the Webber Affidavit. Webber Affidavit, para. 5.

6. Between April 1st and April 6th, 1999, MasterMind entered into 81 contracts with the School Districts to provide E-rate eligible telecommunication services and products. Webber Affidavit, para. 6.

7. Upon execution of the contracts with MasterMind, the School Districts submitted to the SLD the FCC "Form 471" for approval of the contracts for eligible telecommunication services provided by MasterMind. Webber Affidavit, para. 7.

8. On November 16, 1999, SLD notified the School Districts that the 81 applications for the funding of discounted eligible telecommunication services provided by MasterMind had been denied for the stated reason: "Invalid telecom. Provider." A sample copy of the denial notice is attached as Exhibit A-3 to the Webber Affidavit. Webber Affidavit, para. 8.

9. The SLD has issued a publication entitled "470 Application Guidance" dated March 2, 1998. Webber Affidavit, para. 9.

10. On August 31, 1999, Elizabeth Ryan, assistant general counsel for the Oklahoma Corporation Commission, issued a letter to Mr. Marc Edwards, counsel for MasterMind, a copy of which is attached as Exhibit A-4 to the Webber Affidavit. Webber Affidavit, para. 10.

C. Question Presented for Review

1. MasterMind entered into contracts with the School Districts to provide distance learning services over the internet. Distance learning is a service eligible for funding, but can only be provided by a telecommunications carrier. See Webber Affidavit, para. 11. A telecommunications carrier is a provider of telecommunication services, which are defined as the offering of telecommunication for a fee directly to the public on a common carrier basis. MasterMind provides distance learning over the internet to the general public on a common carrier basis, strictly within the State of Oklahoma. Despite this fact, the funding commitments involving MasterMind for distance learning were also denied. The stated reason by SLD was “Invalid telecomm. Provider.”

2. Telecommunication carriers can receive direct reimbursement from universal support mechanisms for the provision of discounted telecommunications services on a common carriage basis. 47 U.S.C. §§ 254(h)(1)(A) and (B). 47 U.S.C. § 254(e) generally provides that only an “eligible telecommunications carrier” (“ETC”) is eligible to receive universal service support. See 47 U.S.C. § 214(e)(2). However, telecommunication carriers, who may not qualify as an ETC, are eligible for reimbursement from the universal service program for providing discounted telecommunication services to eligible schools and libraries. Universal Service Order, 12 FCC Rcd 8776 (1997); 47 C.F.R. § 54.501. 47 U.S.C. § 153 (44) defines a “telecommunications carrier” as a provider of telecommunication services. “Telecommunication

services” are defined as the offering of telecommunications for a fee directly to the public, 47 U.S.C. § 153(46), and encompasses only telecommunications provided on a common carrier basis. Universal Service Order, 12 FCC Rcd at 9177-78. “Common carrier” is defined as “any person engaged in rendering communications services for hire to the public.” 47 C.F.R. § 21.2.

3. As set out in the Webber Affidavit, MasterMind offers telecommunication services to the general public for a fee. Webber Affidavit, para. 2. MasterMind offers and advertises its telecommunication services to the general public by general advertising including but not limited to such medians as printed materials and brochures disseminated to the general public, newsletters mailed to any school district which has posted a Form 470 on the SLD web site in a six-state region, and postings on the MasterMind web site. Webber Affidavit, para. 3. Clearly, MasterMind is a telecommunications carrier that offers the telecommunication service of distance learning to the general public on a common carrier basis.

4. SLD has issued a publication which states that a telecommunications carrier may have to be certificated to operate in a particular state in order to provide telecommunication services to eligible schools and libraries. This requirement would be determined by consulting the appropriate state regulatory commission. See Fact Sheet dated March 2, 1998, 470 Application Guidance, attached as Exhibit A-3 to the Webber Affidavit.

5. The Oklahoma Corporation Commission (“OCC”) pursuant to Article IX § 18, et seq. of the Constitution of the State of Oklahoma and 17 O.S. § 131, et seq., has been granted the authority to regulate the provision of telecommunication services in the State. The OCC defines in its rules “telecommunications,” as “the transmission, between or among points specified by the user of voice on data information of the user's choosing, without change in the

form or content of the information as sent and received.” OAC 165:55-1-4. “Service” is defined as the offering of telecommunications for a fee directly to the public, but does not include the offering of enhanced services. OAC 165:55-1-4. The OCC further distinguishes its jurisdiction between “regulated” and “unregulated” telecommunication services. See OAC 165:55-1-4. Therefore, enhanced services, such as distance learning over the internet, are telecommunications services that are not regulated by the OCC. This conclusion is buttressed by the letter from Elizabeth Ryan, Assistance General Counsel for the OCC, wherein she states, in essence, that internet-provided telecommunications services are not regulated by the OCC. A copy of the Ryan letter is attached as Exhibit A-4 to the Webber Affidavit.

D. Statement of Relief Sought

1. MasterMind provides telecommunication services over the internet both to the general public, and to various school districts in the State of Oklahoma. For the current fiscal funding year, MasterMind was the contracted service provider with 81 school districts who had applied with the SLD for supported rates for eligible telecommunication services. SLD denied the application of those eligible school districts for the stated reason that MasterMind was an invalid telecommunication provider. MasterMind challenges the SLD’s denial of funding, and respectfully requests appropriate relief from the FCC to overturn the decision of the SLD.

Relief is sought pursuant to Sections 1-4 and 254 of the Communications Act of 1939,
as amended, 47 U.S.C. §§ 151-154 and 254 and 47 C.F.R. §§ 54.704, 54.719, and 54.722.

Respectfully submitted,

MARC EDWARDS

Marc Edwards, OBA #10281
PHILLIPS McFALL McCAFFREY
McVAY & MURRAH, P.C.
One Leadership Square, 12th Floor
211 North Robinson
Oklahoma City, Oklahoma 73102
Telephone: 815-235-4100
Facsimile: 815-235-4133

Attorneys for MasterMind

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the above and foregoing instrument was mailed postage prepaid thereon and by certified mail this 16th day of December, 1999, to:

Administrator
Universal Services Administrative Co.
c/o Ellen Wolfhagen
Counsel
USAC/Schools and Libraries Division
2120 L Street, N.W., Suite 600
Washington, D.C. 20037

MARC EDWARDS
Marc Edwards

Before the Federal Communications Commission
Washington, D.C. 20554

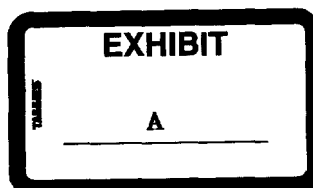
In the Matter of)
)
Request for Review) CC Docket No. 96-45
of the Decision of the)
Universal Service Administrator by) CC Docket No. 97-21
MasterMind Internet Services, Inc.)

AFFIDAVIT OF CHRIS WEBBER

STATE OF OKLAHOMA)
) SS.
COUNTY OF TULSA)

Chris Webber, being first duly sworn, upon oath, states:

1. I am Chris Webber, director of E-Rate Services for MasterMind Internet Services, Inc. ("MasterMind"). I have reviewed the documents and information in this matter and attest to its truth, and am authorized to execute this Affidavit on behalf of MasterMind. MasterMind has filed the request for review of SLD's denial of funding on 81 applications submitted by school districts in the State of Oklahoma ("School Districts") for discounted telecommunication services provided by MasterMind. A list of the School Districts is attached as Exhibit A-1.
2. MasterMind offers distance learning telecommunication services, over the internet, to the general public for a fee.
3. MasterMind offers and advertises its telecommunication services to the general public by general advertising including but not limited to such medians as printed materials and brochures disseminated to the general public, newsletters mailed to any school district which has posted a Form 470 on the SLD web site in a six-state region, and postings on the MasterMind web site.



4. Starting on December 1st, 1998 and ending on March 9th, 1999, MasterMind assisted the School Districts in their filing of FCC "Form 470" with the School and Libraries Division ("SLD") of the Universal Service Administrative Company.

5. After the Form 470s were filed by the school districts, SLD sent to the School Districts a "Receipt Acknowledgement Letter" that stated among other things, that the SLD had received "your properly completed FCC Form 470." A sample letter received by the School Districts from the SLD is attached as Exhibit A-2.

6. Between April 1st and April 6th, 1999, MasterMind entered into 81 contracts with the School Districts to provide E-rate eligible telecommunication services and products, specifically distance learning over the internet.

7. Upon execution of the contracts with MasterMind, the School Districts submitted to the SLD the FCC "Form 471" for approval of the contracts for eligible services provided by MasterMind.

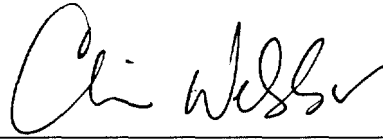
8. On November 16, 1999, SLD notified the School Districts that the 81 applications for the funding of discounted eligible telecommunication services provided by MasterMind had been denied for the stated reason: "Invalid telecom. Provider." A sample copy of the denial notice is attached as Exhibit A-3.

9. The SLD has issued a publication entitled "470 Application Guidance" dated March 2, 1998.

10. On August 31, 1999, Elizabeth Ryan, assistant general counsel for the Oklahoma Corporation Commission, issued a letter to Mr. Marc Edwards, counsel for MasterMind, a copy of which is attached as Exhibit A-4.

11. Distance learning is a telecommunication service eligible for funding.

Further Affiant sayeth not.



Chris Webber

Subscribed and sworn to before me this 6th day of December, 1999, by Chris Webber.

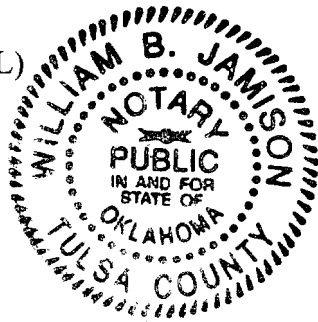


Notary Public

My Commission Expires:

My Commission Expires 7-21-2001

(SEAL)



Y2 Funding Summary

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EXHIBIT

Page 2

Dec-7-99 9:09AM;

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Sent By: MASTERMIND INTERNET;

School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscount cost	Dis %
Pleasant Grove School Dist 05 App # 145898	Edumaster.net FRN # 239453	Internal Con	11-16-99	No	\$0.00	\$54,135.00		.90
Zion School District 28 App # 148150	Edumaster.net FRN # 245596	Internal Con	11-16-99	No	\$0.00	\$35,945.00		.90
McCord School District 77 App # 152072	Edumaster.net FRN # 262458	Internal Con	11-16-99	No	\$0.00	\$63,245.00		.80
Bishop School District C-049 App # 152202	Edumaster.net FRN # 263180	Internal Con	11/16/99	No	\$0.00	\$66,070.00		.80
Blair Indep School District 54 App # 152677	Edumaster.net FRN # 265602	Internal Con	11-16-99	No	\$0.00	\$68,520.00		.74
Boone Apache Indep Sch Dist 56 App # 152451	Edumaster.net FRN # 264619	Internal Con	11-16-99	No	\$0.00	\$71,135.00		.86
Carnegie Indep Sch District 33 App # 152267	Edumaster.net FRN # 263626	Internal Con	11-16-99	No	\$0.00	\$81,240.00		.85
Claremore Indep School Dist 1 App # 152649	Edumaster.net FRN # 265497	Internal Con	11-16-99	No	\$0.00	\$290,072.59		.59
Duke Public School Dist I-14 App # 152201	Edumaster.net FRN # 263212	Internal Con	11-16-99	No	\$0.00	\$31,850.00		.77
Fairland Indep School Dist 31 App # 152369	Edumaster.net FRN # 264189	Internal Con	11-16-99	No	\$0.00	\$47,145.00		.77
Glover Spencer Memorial Lib App # 152377	Edumaster.net FRN # 264246	Internal Con	11-16-99	No	\$0.00	\$6,110.00		.84
Grandview School District 82 App # 152469	Edumaster.net FRN # 264651	Internal Con	11-16-99	No	\$0.00	\$58,370.00		.90
Greasy School District 32 App # 152210	Edumaster.net FRN # 263215	Internal Con	11-16-99	No	\$0.00	\$71,495.00		.90

Y2 Funding Summary

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School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscout cost Dis %
Green Country Voc-Tech App # 152257	Edumaster.net FRN # 263546	Internal Con	11-16-99	No	\$0.00	\$97,482.50	.90
Greenville School District 3 App # 152646	Edumaster.net FRN # 265465	Internal Con	11-16-99	No	\$0.00	\$63,620.00	.90
Gum Springs School District 69 App # 152651	Edumaster.net FRN # 265480	Internal Con	11-16-99	No	\$0.00	\$65,120.00	.90
Jennings School District 2 App # 152643	Edumaster.net FRN # 265463	Internal Con	11-16-99	No	\$0.00	\$63,620.00	.80
Justus-Tiawah School Dist 9 App # 152462	Edumaster.net FRN # 264640	Internal Con	11-16-99	No	\$0.00	\$62,885.00	.50
Kremlin-Hillsdale Public Schs App # 152197	Edumaster.net FRN # 263151	Internal Con	11-16-99	No	\$0.00	\$100,232.50	.66
Leach School District 14 App # 152207	Edumaster.net FRN # 263238	Internal Con	11-16-99	No	\$0.00	\$61,745.00	.90
Lone Star School District 8 App # 152460	Edumaster.net FRN # 264629	Internal Con	11-16-99	No	\$0.00	\$78,245.00	.80
Maple School District 162 App # 152478	Edumaster.net FRN # 264691	Internal Con	11-16-99	No	\$0.00	\$59,870.00	.60
Marian Academy App # 152491	Edumaster.net FRN # 264736	Internal Con	11-16-99	No	\$0.00	\$27,281.00	.80
Marquette School App # 152489	Edumaster.net FRN # 264730	Internal Con	11-16-99	No	\$0.00	\$5,500.00	.40
Milfay School District 1 App # 152628	Edumaster.net FRN # 265401	Internal Con	11-16-99	No	\$0.00	\$43,020.00	.90
Newkirk Indep School Dist 29 App # 152483	Edumaster.net FRN # 264749	Internal Con	11-23-99	No	\$0.00	\$131,900.00	.77

Y2 Funding Summary

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School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscout cost	Dis %
Oak Grove School District 104 App # 152501	Edumaster.net FRN # 264793	Internal Con	11-16-99	No	\$0.00	\$82,732.50		.70
Olive Indep School District 17 App # 152499	Edumaster.net FRN # 264803	Internal Con	11-16-99	No	\$0.00	\$105,820.00		.80
Osage School District 43 App # 152487	Edumaster.net FRN # 264722	Internal Con	11-16-99	No	\$0.00	\$53,370.00		.70
Pretty Water School Dist 34 App # 152212	Edumaster.net FRN # 263219	Internal Con	11-16-99	No	\$0.00	\$62,470.00		.80
Verdigris Indep School Dist 8 App # 152309	Edumaster.net FRN # 263747	Internal Con	11-16-99	No	\$0.00	\$73,175.00		.43
Wainwright School District 9 App # 152311	Edumaster.net FRN # 263750	Internal Con	11-16-99	No	\$0.00	\$51,045.00		.80
Watts School District 4 App # 152317	Edumaster.net FRN # 263773	Internal Con	11-16-99	No	\$0.00	\$60,245.00		.90
Wilson Indep School District 7 App # 152312	Edumaster.net FRN # 263751	Internal Con	11-16-99	No	\$0.00	\$75,920.00		.80
Wilson Indep School Dist 43 App # 152477	Edumaster.net FRN # 264692	Internal Con	11-16-99	No	\$0.00	\$45,095.00		.77
Lookeba-Sickles School Dist 12 App # 152464	Edumaster.net FRN # 266331	Internal Con	11-16-99	No	\$0.00	\$56,260.00		.83
Preston School App # 152232	Edumaster.net FRN # 263383	Internal Con	11-16-99	No	\$0.00	\$63,645.00		.76
Ravia School District 10 App # 152579	Edumaster.net FRN # 265183	Internal Con	11-16-99	No	\$0.00	\$60,245.00		.90
Butler Indep School Dist 46 App # 152817	Edumaster.net FRN # 266958	Internal Con	11-16-99	No	\$0.00	\$50,600.00		.80

Y2 Funding Summary

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School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscout cost Dis %
Taloga Indep School Dist 10 App # 152299	Edumaster.net FRN # 266135	Internal Con	11-16-99	No	\$0.00	\$33,300.00	.70
Taloga Indep School Dist 10 App # 152299	Edumaster.net FRN # 266138	Internal Con	11-16-99	No	\$0.00	\$24,965.00	.80
Bluejacket Indep Sch Dist 1020 App # 153471	Edumaster.net FRN # 27919	Internal Con	11-16-99	No	\$0.00	\$60,020.00	.77
Dewar Indep School District 8 App # 152208	Edumaster.net FRN # 263229	Internal Con	11-16-99	No	\$0.00	\$105,540.00	.90
Turner Indep School Dist 5 App # 152669	Edumaster.net FRN # 265592	Internal Con	11-16-99	No	\$0.00	\$76,020.00	.86
Cave Springs School Dist 30 App # 152650	Edumaster.net FRN # 265514	Internal Con	11-16-99	No	\$0.00	\$66,485.00	.90
City of Cleveland / Cleveland Public App # 153628	Edumaster.net FRN # 274351	Internal Con	11-16-99	No	\$0.00	\$8,110.00	.75
Owasso Indep School Dist 11 App # 152490	Edumaster.net FRN # 264790	Internal Con	11-16-99	No	\$0.00	\$208,735.00	.42
Gracemont Indep School Dist 86 App # 152375	Edumaster.net FRN # 264229	Internal Con	11-16-99	No	\$0.00	\$63,620.00	.87
Noble Indep School District App # 152473	Edumaster.net FRN # 264687	Internal Con	11-16-99	No	\$0.00	\$44,290.00	.67
Wynona Indep School Dist 30 App # 152505	Edumaster.net FRN # 264808	Internal Con	11-16-99	No	\$0.00	\$48,295.00	.87
Okmulgee Indep School Dist 1 App # 152584	Edumaster.net FRN # 265208	Internal Con	11-16-99	No	\$0.00	\$179,875.00	.82
Glencoe Indep School Dist 101 App # 152378	Edumaster.net FRN # 264252	Internal Con	11-16-99	No	\$0.00	\$69,715.00	.76

Y2 Funding Summary

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School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscount cost Dis %
Chelsea Indep School Dist 3 App # 152653	Edumaster.net FRN # 265516	Internal Con	11-16-99	No	\$0.00	\$110,170.00	.70
Minco Indep School District 2 App # 152206	Edumaster.net FRN # 263198	Internal Con	11-16-99	No	\$0.00	\$34,075.00	.66
Minco Indep School District 2 App # 152206	Edumaster.net FRN # 263201	Internal Con	11-16-99	No	\$0.00	\$24,695.00	.70
Welaka Indep School Dist 31 App # 152459	Edumaster.net FRN # 289365	Internal Con	11-16-99	No	\$0.00	\$71,807.50	.80
New Net 68 App # 152372	Edumaster.net FRN # 293886	Internal Con	11-16-99	No	\$0.00	\$131,750.00	.51
Depew Public Schools App # 153163	Edumaster.net FRN # 269151	Internal Con	11-16-99	No	\$0.00	\$68,720.00	.72
Depew Public Schools App # 153163	Edumaster.net FRN # 269154	Internal Con	11-16-99	No	\$0.00	\$24,695.00	.80
Fletcher Indep School Dist 9 App # 152371	Edumaster.net FRN # 264201	Internal Con	11-16-99	No	\$0.00	\$62,120.00	.71
Fletcher Indep School Dist 9 App # 152371	Edumaster.net FRN # 264205	Internal Con	11-16-99	No	\$0.00	\$24,695.00	.80
Meeker Indep School Dist IO-95 App # 152270	Edumaster.net FRN # 263607	Internal Con	11-16-99	No	\$0.00	\$27,475.00	.66
Meeker Indep School Dist IO-95 App # 152270	Edumaster.net FRN # 263611	Internal Con	11-16-99	No	\$0.00	\$118,575.00	.70
Yale Public Schools App # 152507	Edumaster.net FRN # 264833	Internal Con	11-16-99	No	\$0.00	\$59,050.00	.75
Sallisaw Indep School Dist 1 App # 152812	Edumaster.net FRN # 266935	Internal Con	11-16-99	No	\$0.00	\$157,490.00	.73

Y2 Funding Summary

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Sent By: MASTERMIND INTERNET;

School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscount cost Dis %
Sallisaw Indep School Dist 1 App # 152812	Edumaster.net FRN # 266942	Internet Con	11-16-99	No	\$0.00	\$31,415.00	.80
Kremmlin-Hillsdale Public Schs App # 146657	Edumaster.net FRN # 239287	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.66
Ketchum Indep School Dist 6 App # 147164	Edumaster.net FRN # 241316	Internet Access	11-16-99	No	\$0.00	\$56,550.00	.83
Commerce Public Schools App # 148820	Edumaster.net FRN # 248127	Internet Access	11-16-99	No	\$0.00	\$56,550.00	.87
Forrest Grove School District App # 146994	Edumaster.net FRN # 240671	Internet Access	11-16-99	No	\$0.00	\$50,525.00	.90
Moffett School District 68 App # 146728	Edumaster.net FRN # 239461	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90
Darlington School District 70 App # 146725	Edumaster.net FRN # 239456	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90
Minco Indep School District 2 App # 146696	Edumaster.net FRN # 239355	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.66
Bluejacket Indep Sch Dist 1020 App # 146660	Edumaster.net FRN # 246138	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.75
Butner Indep School Dist 15 App # 148038	Edumaster.net FRN # 244963	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.85
Gum Springs School District 69 App # 148050	Edumaster.net FRN # 245051	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90
Schuller Indep School Dist 6 App # 148042	Edumaster.net FRN # 244962	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.80
Boone Apache Indep Sch Dist 56 App # 147160	Edumaster.net FRN # 241322	Internet Access	11-16-99	No	\$0.00	\$54,900.00	.86

Y2 Funding Summary

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Sent By: MASTERMIND INTERNET;

School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscount cost Dis %
Claremore Indep School Dist 1 App # 147388	Edumaster.net FRN # 242263	Internet Access	11-16-99	No	\$0.00	\$62,450.00	.59
Glover Spencer Memorial Lib App # 146990	Edumaster.net FRN # 240662	Internet Access	11-16-99	No	\$0.00	\$25,040.00	.77
Keystone School District 15 App # 147165	Edumaster.net FRN # 241337	Internet Access	11-16-99	No	\$0.00	\$63,250.00	.80
Oak Grove School District 104 App # 147198	Edumaster.net FRN # 241441	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.70
Quapaw Indep School Dist 14 App # 147193	Edumaster.net FRN # 241422	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.80
Quinton Indep School Dist 17 App # 147191	Edumaster.net FRN # 241416	Internet Access	11-16-99	No	\$0.00	\$54,900.00	.87
Webbers Falls School Dist 16 App # 147408	Edumaster.net FRN # 242361	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.80
Wetumka Indep School Dist 5 App # 146889	Edumaster.net FRN # 240053	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.80
Justus-Tiawah School Dist 9 App # 147201	Edumaster.net FRN # 241460	Internet Access	11-16-99	No	\$0.00	\$54,900.00	.50
Maple School District 162 App # 147206	Edumaster.net FRN # 241500	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.60
Maryetta School District 22 App # 147216	Edumaster.net FRN # 241556	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90
Mason Indep School District 2 App # 147217	Edumaster.net FRN # 241534	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90
Milfay School District 1 App # 146726	Edumaster.net FRN # 239459	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90

Y2 Funding Summary

Run date 12/7/99

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Dec-7-99 9:13AM;

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Sent By: MASTERMIND INTERNET;

School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscount cost Dis %
Olive Indep School District 17 App # 147203	Edumaster.net FRN # 241515	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.80
Picher-Cardin Ind Sch Dist 15 App # 146716	Edumaster.net FRN # 239422	Internet Access	11-16-99	No	\$0.00	\$69,150.00	.87
Pleasant Grove School Dist 05 App # 146689	Edumaster.net FRN # 239378	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90
Pretty Water School Dist 34 App # 146651	Edumaster.net FRN # 239246	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.60
Prue Indep School District 50 App # 146656	Edumaster.net FRN # 239278	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.77
Ringling Indep Sch District 14 App # 147233	Edumaster.net FRN # 241593	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.80
Verdigris Indep School Dist 8 App # 147158	Edumaster.net FRN # 214313	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.43
Zaneis School District 72 App # 148155	Edumaster.net FRN # 245633	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.80
Tuttle Indep School Dist 97 App # 147395	Edumaster.net FRN # 242309	Internet Access	11-16-99	No	\$0.00	\$56,550.00	.57
Eakly Indep School Dist 132 App # 146985	Edumaster.net FRN # 240598	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.80
Leach School District 14 App # 146655	Edumaster.net FRN # 239279	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90
Pawhuska Indep School Dist 2 App # 146699	Edumaster.net FRN # 239356	Internet Access	11-16-99	No	\$0.00	\$44,750.00	.77
White Rock Schools App # 147414	Edumaster.net FRN # 242773	Internet Access	11-9-99	No	\$0.00	\$53,250.00	.80

Y2 Funding Summary

Run date 12/7/99

Dec-7-99 9:14AM;

918 7430204;

Sent By: MASTERMIND INTERNET;

School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscount cost Dis %
Ryal School District 3 App # 148178	Edumaster.net FRN # 245684	Internet Access	11-23-99	No	\$0.00	\$65,250.00	.90
Skiatook Indep School Dist 7 App # 147344	Edumaster.net FRN # 241965	Internet Access	11-16-99	No	\$0.00	\$59,850.00	.57
Preston School App # 145902	Edumaster.net FRN # 236419	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.76
Watts School District 4 App # 146883	Edumaster.net FRN # 241229	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90
All Saints Catholic School App # 147487	Edumaster.net FRN # 242720	Internet Access	11-16-99	No	\$0.00	\$1,429.40	.40
Fort Cobb-Broxtom Sch Dist 167 App # 146995	Edumaster.net FRN # 240752	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.85
Osage School District 43 App # 147215	Edumaster.net FRN # 241530	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.70
Boynnton-Moton Indep Sch Dist 4 App # 147180	Edumaster.net FRN # 241403	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90
City of Cleveland / Cleveland Public App # 147389	Edumaster.net FRN # 242279	Internet Access	11-16-99	No	\$0.00	\$25,040.00	.72
Lookeba-Sickles School Dist 12 App # 147171	Edumaster.net FRN # 241363	Internet Access	11-16-99	No	\$0.00	\$55,250.00	.83
Cave Springs School Dist 30 App # 147390	Edumaster.net FRN # 242298	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.84
Maysville Indep School Dist App # 145908	Edumaster.net FRN # 236463	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.77
Catoosa Indep School Dist 2 App # 147337	Edumaster.net FRN # 241926	Internet Access	11-16-99	No	\$0.00	\$48,050.00	.61

Y2 Funding Summary

Run date 12/7/99

Dec-7-99 9:14AM;

918 7430204;

Sent By: MASTERMIND INTERNET;

School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscount cost Dis %
Chelsea Indep School Dist 3 App # 147394	Edumaster.net FRN # 242314	Internet Access	11-16-99	No	\$0.00	\$58,200.00	.74
Mountain View-Götebo Dist 003 App # 146723	Edumaster.net FRN # 239449	Internet Access	11-16-99	No	\$0.00	\$54,900.00	.80
Turner Indep School Dist 5 App # 147396	Edumaster.net FRN # 242316	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.77
Green Country Voc-Tech App # 146732	Edumaster.net FRN # 239501	Internet Access	11-23-99	No	\$0.00	\$53,250.00	.90
Morrison Public Schools App # 146744	Edumaster.net FRN # 239537	Internet Access	11-16-99	No	\$0.00	\$74,390.00	.90
Cordell Indep School Dist 78 App # 146731	Edumaster.net FRN # 239499	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.78
Riverside School District 29 App # 148041	Edumaster.net FRN # 282559	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.60
Zion School District 28 App # 148156	Edumaster.net FRN # 245644	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90
Marquette School App # 147208	Edumaster.net FRN # 241481	Internet Access	11-16-99	No	\$0.00	\$25,490.00	.20
Eldorado Indep School Dist 25 App # 146963	Edumaster.net FRN # 240596	Internet Access	11-16-99	No	\$0.00	\$30,750.00	.80
Hobart Public Library App # 147348	Edumaster.net FRN # 242011	Internet Access	11-16-99	No	\$0.00	\$30,290.00	.74
Lone Star School District 8 App # 147166	Edumaster.net FRN # 241352	Internet Access	11-16-99	No	\$0.00	\$80,250.00	.60
Wanette Indep Sch District 115 App # 147316	Edumaster.net FRN # 241839	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.90

Y2 Funding Summary

Run date 12/7/99

Dec-7-99 9:15AM;

918 7430204;

Sent By: MASTERMIND INTERNET;

School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscount cost	Dis %
Union City Indep Sch Dist 57	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$58,200.00		.56
App # 148031	FRN # 244921							
Twin Hills School District II	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$53,250.00		.80
App # 148030	FRN # 244899							
Clussee Indep School Dist 35	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$30,750.00		.87
App # 147214	FRN # 241506							
Okmulgee Indep School Dist 1	Edumaster.net	Internet Access	11-23-99	No	\$0.00	\$39,950.00		.79
App # 147236	FRN # 241601							
St Eugene Catholic School	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$14,386.80		.40
App # 148034	FRN # 289387							
Afton Indep School District 26	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$65,250.00		.77
App # 147472	FRN # 242758							
Binger-Oney School Dist 158	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$53,250.00		.83
App # 146683	FRN # 239334							
Dewar Indep School District 8	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$53,250.00		.90
App # 146734	FRN # 239529							
Standing T.A.L.L.	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$68,890.00		.78
App # 147356	FRN # 293884							
Miami Indep School District 23	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$85,390.00		.74
App # 146737	FRN # 239548							
Weleetka Indep School Dist 31	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$53,250.00		.85
App # 146887	FRN # 292595							
Wilson Indep School Dist 43	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$53,250.00		.77
App # 146875	FRN # 239965							
Macomb Indep School District 4	Edumaster.net	Internet Access	11-16-99	No	\$0.00	\$53,250.00		.80
App # 146884	FRN # 240013							

Y2 Funding Summary

Run date: 12/7/99

9:18AM;

Dec-7-99

918 7430204;

School Name	Service Provider	Svc Ordered	FCL Date	Fully funded Yes/No	Funded Amt	Pre Disc Cost	Modified Prediscount cost Dis %
Crescent Indep School Dist 11 App # 147213	Edumaster.net FRN # 284116	Internet Access	11-16-99	No	\$0.00	\$77,525.00	.42
Davis Indep School District 10 App # 146724	Edumaster.net FRN # 239488	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.74
Dexter Public Schools App # 146757	Edumaster.net FRN # 239639	Internet Access	11-16-99	No	\$0.00	\$54,900.00	.72
Fletcher Indep School Dist 9 App # 146659	Edumaster.net FRN # 239300	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.71
Salinas Indep School Dist 1 App # 148037	Edumaster.net FRN # 244944	Internet Access	11-16-99	No	\$0.00	\$58,200.00	.73
Marietta Indep Sch District 16 App # 147210	Edumaster.net FRN # 241497	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.71
Yale Public Schools App # 147319	Edumaster.net FRN # 241858	Internet Access	11-16-99	No	\$0.00	\$53,250.00	.75

USAC
UNIVERSAL SERVICE
ADMINISTRATIVE CO.

SCHOOLS AND LIBRARIES DIVISION

Box 125 - Correspondence Unit
100 South Jefferson Road
Whippany, NJ 07981

GRANT ELEMENTARY SCHOOL
CHRIS WEBBER
1217 E. 48TH ST
TULSA, OK 74105-4701

November 16, 1999

Re: Form 471 Application Number: 147200
Funding Year: 07/01/1999 - 06/30/2000
Billed Entity Number: 85137

Thank you for your 1999-2000 E-rate application and for any assistance you provided throughout our review. We have completed processing of your Form 471. This letter is to advise you of our decisions.

FUNDING COMMITMENT REPORT

From your Form 471, we reviewed row-by-row discount requests in Items 15 and 16. We assigned each row a Funding Request Number (FRN). On the pages following this letter, we have provided a Funding Commitment Report for each FRN in your application.

Attached to this letter you will find a guide that defines each line of the Funding Commitment Report and a complete list of FRNs from your application. The SLD is also sending this information to your service provider(s) so arrangements can be made to begin implementing your E-rate discount(s). We would encourage you to contact your service providers to let them know your plans regarding these services.

FOR QUESTIONS

If you have questions regarding our decisions on your E-rate application, please notify us in writing. Your questions should be sent to: Questions, Schools and Libraries Division, Universal Service Administrative Company, Box 125 - Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981.

FOR APPEALS

If you wish to appeal to the SLD, your appeal must be made in writing and received by us within 30 days of issuance of this letter as indicated by its postmark. In your letter of appeal, please include: correct contact information for the appellant, information on the Funding Commitment Decision you are appealing and the specific Funding Request Number in question, and an original authorized signature. Appeals sent by fax, e-mail or phone call cannot be processed. Please mail your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 100 South Jefferson Road, Whippany, NJ 07981. You may also call our Client Service Bureau at 888-203-8100. While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC): FCC, Office of the Secretary, 445 12th Street SW, Room TW-A 325, Washington, D.C. 20554.

NEXT STEPS

Once you have reviewed this letter and have determined that some or all of your requests have been funded, your next step is to complete and submit the enclosed FCC Form 486. This Form notifies the SLD that you are currently receiving or have begun receiving services approved for discounts and provides certified indication that your technology plan(s) has been approved. As you complete your Form 486, you should also contact your service provider to verify they have received notice from the SLD of your commitments. After the SLD processes your Form 486, we can begin processing invoices from your service provider(s) so they can be reimbursed for discounted services they have provided you. For further detailed information on next steps, please review all enclosures.

EXHIBIT

A-2

Grant

FUNDING COMMITMENT REPORT FOR APPLICATION NUMBER: 0000147200

Funding Request Number: 0000241454 Funding Status: Funded
SPIN: 143006149 Service Provider Name: Edumaster.net, LLC dba Mastermind Learning Cer
Provider Contract Number: 200321
Services Ordered: Internet Access
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 06/30/2000
Pre-discount Cost: \$53,250.00
Discount Percentage Approved by the SLD: 90%
Funding Commitment Decision: \$47,925.00 - 471 approved; modified by SLD

Funding Request Number: 0000241459 Funding Status: Unfunded or Denied
SPIN: 143006149 Service Provider Name: Edumaster.net, LLC dba Mastermind Learning Cer
Provider Contract Number: 200327
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: 06/30/2000
Pre-discount Cost: \$38,419.80
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Non - telecomm provider
Funding Commitment Decision Explanation: This FRN is a request for Telecommunications
Service from a provider which is not a telecommunications common carrier service
provider.

Funding Request Number: 0000241462 Funding Status: Funded
SPIN: 143005426 Service Provider Name: Feist Long Distance
Provider Contract Number: T
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: N/A
Pre-discount Cost: \$5,299.92
Discount Percentage Approved by the SLD: 90%
Funding Commitment Decision: \$4,769.93 - 471 approved; modified by SLD

Funding Request Number: 0000241464 Funding Status: Funded
SPIN: 143005426 Service Provider Name: Feist Long Distance
Provider Contract Number: T
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: N/A
Pre-discount Cost: \$5,300.00
Discount Percentage Approved by the SLD: 90%
Funding Commitment Decision: \$4,770.00 - 471 approved; modified by SLD

Funding Request Number: 0000241470 Funding Status: Funded
SPIN: 143004662 Service Provider Name: Southwestern Bell Telephone Company
Provider Contract Number: T
Services Ordered: Telecommunications Services
Earliest Possible Effective Date of Discount: 07/01/1999
Contract Expiration Date: N/A
Pre-discount Cost: \$7,460.00
Discount Percentage Approved by the SLD: 90%
Funding Commitment Decision: \$6,714.00 - 471 approved; modified by SLD

EXHIBIT

A-3

BOB ANTHONY
Commissioner

DENISE A BODE
Commissioner

ED APPLE
Commissioner

OKLAHOMA
CORPORATION COMMISSION

P.O. BOX 52000-2000
OKLAHOMA CITY, OKLAHOMA 73152-2000

400 Jim Thorpe Building
Telephone: (405) 521-2255
FAX: (405) 521-4150

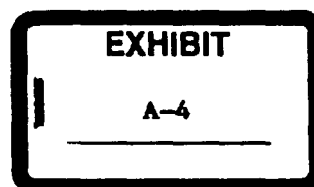
Office of General Counsel



William R. Burkett, General Counsel

DATE: August 31, 1999
TIME: 9:30 a.m.
ADDRESSEE: Marc Edwards
COMPANY:
FAX NUMBER: 235-4562
FROM: Elizabeth Ryan
NUMBER OF PAGES NOT INCLUDING COVER SHEET: 2
MESSAGE:

The information contained in this facsimile transmission, including the cover message and all accompanying pages, is privileged and confidential. If you are not the intended recipient of this facsimile transmission, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this facsimile transmission is strictly prohibited and unauthorized. If you have received this transmission in error, please immediately notify us by telephone, and we will make arrangements for the destruction or return to us of this transmission. Thank you.



BOB ANTHONY
Commissioner

DENISE A. BODE
Commissioner

ED APPLE
Commissioner

OKLAHOMA
CORPORATION COMMISSION
P.O. BOX 52000-2000
OKLAHOMA CITY, OKLAHOMA 73152-2000

400 Jim Thorpe Building
Telephone: (405) 521-2255
FAX: (405) 521-4150

Office of General Counsel



William R. Burkett, General Counsel

Mr. Marc Edwards
Phillips McFall McCaffrey McVay & Murrah, P.C.
Attorneys at Law
Twelfth Floor
One Leadership Square
211 North Robinson
Oklahoma City, Oklahoma 73102

Re: MasterMind Learning Center

Dear Mr. Edwards:

You have inquired as to whether providing a distance learning service over the internet is regulated by the Oklahoma Corporation Commission. Based on our conversations, it is my understanding that MasterMind Learning Center is a common carrier which provides services only over the internet, and that MasterMind is not presently offering any of the telecommunication services provided by either local exchange or interexchange carriers. Further, it is my understanding that MasterMind is not presently providing access to the internet and will not seek reimbursement from the Oklahoma Universal Service Fund for 56K lines.

It is our opinion that the provision of distance learning services over the internet on a common carrier basis to the general public is a service that is not regulated by the Oklahoma Corporation Commission. However, prior to offering any telecommunication service provided by local exchange or interexchange carriers, such as access, MasterMind must obtain a Certificate of Convenience and Necessity from the Oklahoma Corporation Commission.

I hope this information is helpful to you. If you have any additional questions, or we can be of any further help, please let me know.

Very truly yours,

A handwritten signature in cursive script that reads "Elizabeth Ryan".

Elizabeth Ryan,
Assistant General Counsel